

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	CSSB 111(EDC)
Fiscal Note Number:	2
(S) Publish Date:	4/26/2021

Identifier: SB111CS(EDC)-EED-PK-4-22-21
Title: EARLY EDUCATION; READING INTERVENTION
Sponsor: EDUCATION
Requester: Senate Finance

Department: Department of Education and Early Development
Appropriation: Education Support and Administrative Services
Allocation: Pre-Kindergarten Grants
OMB Component Number: 3028

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits			2,997.1	2,997.1	2,997.1	2,997.1	2,997.1
Miscellaneous							
Total Operating	0.0	0.0	2,997.1	2,997.1	2,997.1	2,997.1	2,997.1

Fund Source (Operating Only)

1004 Gen Fund (UGF)			2,997.1	2,997.1	2,997.1	2,997.1	2,997.1
Total	0.0	0.0	2,997.1	2,997.1	2,997.1	2,997.1	2,997.1

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/22

Why this fiscal note differs from previous version/comments:

Updated to reflect the new committee substitute - funding for the pre-kindergarten grants now has a cap of \$3,000.0 in a fiscal year, unless the legislature appropriates another amount. The set number of lowest performing districts that can be awarded a grant each fiscal year has been removed, and the department is directed to award grants based on district performance designations required under AS 14.03.123, prioritizing eligible districts with lower performance, up to the \$3,000.0 funding cap and amended effective date from July 1, 2021 (FY2022) to July 1, 2022 (FY2023).

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Phone: (907)465-2875
Date: 04/22/2021 03:00 PM
Date: 04/23/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

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Analysis

This bill creates four new programs: an early education program, a comprehensive reading intervention program, a school improvement reading program, and a virtual education consortium. **This fiscal note addresses the early education program.**

The early education program, created under AS 14.03.135, is approved by the Department of Education and Early Development (DEED) and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and DEED has determined the early education program complies with the adopted standards as created by the State Board of Education and Early Development, then those programs may be eligible for 1/2 the full-time equivalent for average daily membership (ADM) funding under AS 14.17.410. Foundation funding would only be provided to those districts that are not already receiving early education funding by another state or federal program. The early education program is repealed on June 30, 2034 (FY2034).

Page 3 of this fiscal note provides the funding breakdown by fiscal year for the three-year grant program.

Costs associated with the operation of the early education program grants are reflected in the Early Learning Coordination fiscal note.

The effective date of this bill is July 1, 2022 (FY2023).

Department of Education & Early Development
Prepared 4/22/2021

Table 1

Current Number of Districts operating a Pre-Kindergarten program	26
(26 districts registered in 2019-20)	
4 year old cohort*	10,000
Current District reported Pre-K Served*	3,590
Head Start*	1,580
Number students served by this legislation	<u>3,675</u>
	8,845
Percent of 4 year old students served*	88.45%
* estimated	
<u>Foundation Component / Public Education Fund</u>	
1/2 the average per student cost =	\$ 4,803.00

Table 2

3-Year Early Education Grant cycle - district eligibility		
District Cohort	Fiscal Year	Number of Students *
1	2023	624
2	2024	624
3	2025	624
4	2026	624
5	2027	624
6	2028	624
7	2029	624
8	2030	624
9	2031	624
Total		5,616

* 624 is the maximum number of students eligible based on 1/2 the average per student cost and the \$3 million annual cap.

Table 3

<u>Pre-Kindergarten Grant Component</u>	<i>(Table 2)</i> Number of
3-year Early Education Grant cycle	Students
Year 1 - FY2023 (District Cohort 1)	624
Year 2 - FY2024 (District Cohorts 1, 2)	624
Year 3 - FY2025 (District Cohorts 1, 2, 3)	624
Year 4 - FY2026 (District Cohorts 2, 3, 4)	624
Year 5 - FY2027 (District Cohorts 3, 4, 5)	624
Year 6 - FY2028 (District Cohorts 4, 5, 6)	624
Year 7 - FY2029 (District Cohorts 5, 6, 7)	624
Year 8 - FY2030 (District Cohorts 6, 7, 8)	624
Year 9 - FY2031 (District Cohorts 7, 8, 9)	624
Year 10 - FY2032 (District Cohort 8, 9)	624
Year 11 - FY2033 (District Cohort 9)	624

Table 4

Foundation Component / Public Education Fund	Fiscal Year	Number of
1/2 the average per student cost = \$4,803	Moved to ADM	Students
Year 1 FY2023 grant program- students served	FY2026	624
Year 2 FY2024 grant program- students served	FY2027	624
Year 3 FY2025 grant program- students served	FY2028	624
Year 4 FY2026 grant program- students served	FY2029	624
Year 5 FY2027 grant program- students served	FY2030	624
Year 6 FY2028 grant program- students served	FY2031	624
Year 7 FY2029 grant program- students served	FY2032	624
Year 8 FY2030 grant program- students served	FY2033	624
Year 9 FY2031 grant program- students served	FY2034	624
Total		5,616

3-year Early Education Grant cycle (Table 3)

[illegible]